

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A CERTIFICATION OF THE CARRIERS	)	
RECEIVING FEDERAL UNIVERSAL	)	ADMINISTRATIVE
SERVICE HIGH-COST SUPPORT	)	CASE NO. 381

O R D E R

The Commission has entered Orders pursuant to the Federal Communications Commission's ("FCC") rules certifying that carriers<sup>1</sup> in Kentucky plan to use their "forward looking" high-cost support for authorized purposes for the calendar years 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, and 2008.<sup>2</sup> 47 C.F.R. § 54.313 and 54.314 require states to ensure that carriers use the federal high-cost support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Also, states must ensure that federal support is being applied in a manner consistent with Section 254 of the Telecommunications Act of 1996.<sup>3</sup> For 2000, only the

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<sup>1</sup> Carriers are, in this context, defined as rural and non-rural incumbent local exchange carriers and eligible telecommunications carriers serving lines in the service area of a rural or non-rural incumbent local exchange carrier within their jurisdiction receiving support pursuant to 47 C.F.R. Section 54.309 (Calculation and Distribution of Forward-Looking Support for Non-Rural Carriers), Section 54.311 (Interim Hold-Harmless Support for Non-Rural Carriers), and Section 54.314 (State Certification of Support for Rural Carriers).

<sup>2</sup> Federal-State Joint Board on Universal Service Ninth Report and Order and Eighteenth Order on Reconsideration ("Ninth Report and Order"), CC Docket Number 99-45; FCC 99-306, released November 2, 1999, Appendix C, Section 54.313 and Administrative Case No. 381 Orders dated March 24, 2000, September 29, 2000, September 25, 2001, September 27, 2002, August 18, 2003, September 24, 2004 September 20, 2005, September 22, 2006, and September 26, 2007.

<sup>3</sup> Ninth Report and Order at ¶¶ 93-110.

use of "forward-looking" support was to be certified. Beginning with the federal support for 2001, certification by state commissions is required regardless of whether the support is "forward-looking" or "hold harmless." On May 23, 2001, the FCC issued an order in CC Docket 96-45 and CC Docket 00-256 that changed the methodology by which rural carriers receive high-cost support. Also, in that order, the FCC required the states to certify that the high-cost support received by rural carriers is consistent with 47 U.S.C. § 254(e).<sup>4</sup> Certification must occur by October 1 prior to the year for which support is rendered.

All carriers eligible to receive support have certified to the Commission that the use of the federal universal service support will be used in accordance with 47 U.S.C. § 254(e). All carriers propose to use their universal service support to upgrade facilities to ensure that rural services are reasonably comparable to urban services and to maintain their current rates as allowed by the FCC.<sup>5</sup> Attached as Exhibit 1 is a schedule of support that each carrier is projected to receive.

The Commission finds that the carriers' proposals to use federal support to upgrade facilities and proposals to maintain embedded rates are consistent with the requirements of Congress and the FCC.

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<sup>4</sup> In the Matter of Federal-State Joint Board on Universal Service Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256; FCC 01-157, released May 23, 2001. See generally ¶¶ 185-193.

<sup>5</sup> Ninth Report and Order at paragraph 106.

IT IS THEREFORE ORDERED that:

1. The proposals of all of the carriers are hereby certified as complying with the FCC's criteria and, accordingly, these utilities are eligible to receive federal Universal Service Fund support.

2. A copy of this Order shall be served upon the FCC and the Universal Service Administrative Company to ensure that all carriers receive their 2009 federal high-cost support.

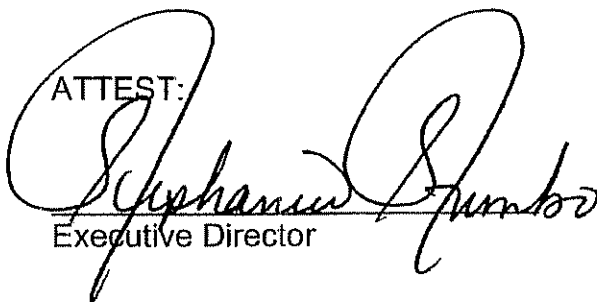
3. By September 1 of each calendar year, all carriers shall file with the Commission their plans for the use of any high-cost federal support.

Done at Frankfort, Kentucky, this 24th day of September, 2008.

By the Commission

Chairman Armstrong Abstains.

ATTEST:

  
Executive Director

USAC Projected High Cost Universal Support  
Fourth Quarter 2008  
Exhibit 1

State	SAC	Study Area Name	Rural	Type	ETC	Eligible	High Cost Monthly Support	High Cost Local Support	Safety Net Additive Monthly Support	Safety Valve Monthly Support	Local Switching Monthly Support	Total High Cost Monthly	Total High Cost Annual
KY	260398	BALLARD RURAL COOP	R	A	Y	Y	\$	\$ 15,314	\$	\$	\$ 29,558	\$ 44,872	\$ 539,464
KY	260398	BRANDENBURG TEL CO	R	A	Y	Y	\$	\$	\$	\$	\$ 43,043	\$ 43,043	\$ 516,516
KY	260401	DUO COUNTY TEL COOP	R	C	Y	Y	\$	\$ 259,663	\$	\$	\$ 17,637	\$ 277,300	\$ 3,327,600
KY	260402	WINDSTREAM KY WEST	R	C	Y	Y	\$	\$	\$ 65,817	\$	\$ 20,417	\$ 87,234	\$ 1,046,808
KY	260406	FOOTHILLS RURAL COOP	R	C	Y	Y	\$	\$ 476,764	\$ 46,172	\$	\$ 37,905	\$ 560,841	\$ 6,730,092
KY	260408	GEARHEART-COALFIELDS	R	A	Y	Y	\$	\$	\$	\$	\$ 35,842	\$ 35,842	\$ 430,104
KY	260411	LESLIE COUNTY TEL CO	R	C	Y	Y	\$	\$ 52,488	\$	\$	\$ 11,519	\$ 64,007	\$ 769,084
KY	260412	LEWISPORT TEL CO	R	A	Y	Y	\$	\$ 2,075	\$	\$	\$ 6,876	\$ 8,951	\$ 107,412
KY	260413	LOGAN TEL COOP INC	R	C	Y	Y	\$	\$ 180,886	\$	\$	\$ 18,623	\$ 199,509	\$ 2,394,108
KY	260414	MOUNTAIN RURAL COOP	R	A	Y	Y	\$	\$	\$	\$	\$ 39,095	\$ 39,095	\$ 469,020
KY	260415	PEOPLES RURAL COOP	R	C	Y	Y	\$	\$ 163,073	\$	\$	\$ 44,375	\$ 227,448	\$ 2,729,378
KY	260417	SALEM TEL CO	R	A	Y	Y	\$	\$	\$	\$	\$ 10,017	\$ 10,017	\$ 120,204
KY	260418	SOUTH CENTRAL RURAL	R	C	Y	Y	\$	\$ 484,533	\$	\$	\$ 11,980	\$ 496,513	\$ 5,958,156
KY	260419	THACKER/GRIGSBY TEL	R	A	Y	Y	\$	\$ 12,649	\$	\$	\$ 38,567	\$ 51,216	\$ 614,592
KY	260421	WEST KENTUCKY RURAL	R	C	Y	Y	\$	\$ 425,728	\$	\$	\$ 45,370	\$ 471,098	\$ 5,653,178
KY	265061	CINCINNATI BELL-KY	N	C	Y	Y	\$	\$ 55,079	\$	\$	\$	\$	\$ 660,945
KY	265182	SO CENTRAL BELL-KY	N	C	Y	Y	\$	\$ 697,660	\$	\$	\$	\$ 697,660	\$ 8,371,923
KY	269001	SOUTHEAST TELEPHONE, INC.	N	X	Y	Y	\$	\$ 16,750	\$	\$	\$	\$ 16,750	\$ 201,005
KY	269002	SOUTHEAST TELEPHONE, INC.	R	X	Y	Y	\$	\$	\$	\$	\$	\$	\$
KY	269002	NPCR, INC.	N	X	Y	Y	\$	\$ 47,259	\$	\$	\$	\$ 47,259	\$ 567,103
KY	269002	NPCR, INC.	R	X	Y	Y	\$	\$ 26,087	\$	\$	\$ 1,946	\$ 28,033	\$ 336,396
KY	269004	NORLIGHT, INC FKA CINERGY COMMUNICATIONS COMPANY	R	X	Y	Y	\$	\$	\$	\$	\$	\$	\$
KY	269004	NORLIGHT, INC FKA CINERGY COMMUNICATIONS COMPANY	R	X	Y	N	\$	\$	\$	\$	\$	\$	\$
KY	269004	NORLIGHT, INC FKA CINERGY COMMUNICATIONS COMPANY	R	X	Y	Y	\$	\$ 8,239	\$	\$	\$ 215	\$ 8,490	\$ 101,880
KY	269006	NORTH CENTRAL COMMUNICATIONS	N	X	Y	N	\$	\$	\$	\$	\$	\$	\$
KY	269007	EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS	N	X	Y	Y	\$	\$ 4,245	\$	\$	\$	\$ 4,245	\$ 50,937
KY	269007	EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS	N	X	Y	Y	\$	\$ 44,418	\$	\$	\$	\$ 44,418	\$ 533,012
KY	269007	EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS	R	X	Y	Y	\$	\$ 194,191	\$ 12,955	\$	\$ 69,986	\$ 277,132	\$ 3,325,584
KY	269008	BLUEGRASS CELLULAR	N	X	Y	Y	\$	\$ 80,206	\$	\$	\$	\$ 80,206	\$ 962,469
KY	269008	BLUEGRASS CELLULAR	R	X	Y	Y	\$	\$ 647,841	\$ 91	\$	\$ 50,871	\$ 698,803	\$ 8,385,636
KY	269009	SOUTH CENTRAL TELCOM LLC	N	X	Y	Y	\$	\$	\$	\$	\$	\$	\$
KY	269010	WEST VIRGINIA PGS ALLIANCE DBA NTELOS	N	X	Y	Y	\$	\$ 1,903	\$	\$	\$	\$ 1,903	\$ 22,842
KY	269600	WINDSTREAM LEXINGTON	N	C	Y	Y	\$	\$ 295,195	\$	\$	\$	\$ 295,195	\$ 3,542,343
KY	269691	WINDSTREAM LONDON	R	C	Y	Y	\$	\$	\$	\$	\$	\$	\$
KY	269905	AMERICAN CELLULAR CORP.	N	X	Y	Y	\$	\$ 60,468	\$	\$	\$	\$ 60,468	\$ 725,613
KY	269905	AMERICAN CELLULAR CORP.	R	X	Y	N	\$	\$ 93,261	\$	\$	\$ 7,355	\$ 100,626	\$ 1,207,512
KY	269905	AMERICAN CELLULAR CORP.	R	X	Y	Y	\$	\$	\$	\$	\$	\$	\$
KY	269905	NEW CINGULAR WIRELESS PCS, LLC	R	X	Y	Y	\$	\$	\$	\$	\$	\$	\$
TN	290573	NORTH CENTRAL COOP	R	C	Y	Y	\$	\$ 103,059	\$	\$	\$ 31,709	\$ 134,768	\$ 1,617,216
TN	290565	HIGHLAND TEL COOP-TN	R	A	Y	Y	\$	\$	\$	\$	\$ 36,071	\$ 36,071	\$ 432,852
KY		DIALOG TELECOMMUNICATIONS, INC.	X	Y	Y	Y	\$	\$	\$	\$	\$	\$	\$
KY		TVD BROADBAND SERVICES LLC	X	Y	Y	Y	\$	\$	\$	\$	\$	\$	\$
KY		CUMBERLAND CELLULAR, INC. DBA DUO COUNTY TELECOM	X	Y	Y	Y	\$	\$	\$	\$	\$	\$	\$
KY		E-TEL, LLC	X	Y	Y	Y	\$	\$	\$	\$	\$	\$	\$
KY		TSINEXUS, INC.	X	Y	Y	Y	\$	\$	\$	\$	\$	\$	\$

LEGEND:  
Rural R - Rural Carrier  
N - Non-Rural Carrier  
Type A - Average Schedule Incumbent  
C - Cost Incumbent  
X - Competitive  
Eligible Y - Eligible Participant  
N - Ineligible Participant  
ETC Y - ETC Granted  
N - ETC Not Effective